

State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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ENVIRONMENT COMMITTEE

Transportation Committee
Public Testimony
March 16, 2016

TESTIMONY IN SUPPORT OF HOUSE BILL 5041 AN ACT CONCERNING THE PRIVITIZATION OF THE DEPARTMENT OF MOTOR VEHICLES.

Good Morning Co-Chairs Senator Maynard, Representative Guerrero; Vice Chairs Senator Leone, Representative Arce; Ranking Members Senator Boucher, Representative O'Dea; and esteemed members of the Committee. My name is Melissa Ziobron and I am Representative of the 34th District which encompasses East Hampton, East Haddam and a part of Colchester. I am writing in support of HB- 5041.

The Department of Motor Vehicles (DMV) has not been providing the residents of Connecticut stellar customer service for quite some time. My constituents are frustrated and some are angry. I have received dozens of official complaints and when I am in my district, DMV is always at the top of the list of issues people want to discuss. This is what, in part, prompted me to submit a bill to privatize services at DMV.

There are seven DMV offices that offer all available services within the agency. These are located in Bridgeport, Danbury, Hamden, Old Saybrook, Waterbury, Wethersfield and Willimantic. There are nine locations that offer limited services, such as licensing--located in Enfield, New Britain, Norwich, Putnam, Derby, Middletown, Milford, Stamford and Winsted. In comparison, there are eight AAA Allied Group offices located in Avon, Cromwell, Enfield, Machester, Old Saybrook, Plainville, Waterford and West Hartford. There are also eight AAA Northeast offices located in Branford, Danbury, Fairfield, Hamden, Milford, Norwalk, Stamford and Waterbury. These locations offer driver's license renewals, ID card renewals and can duplicate driver's licenses, ID cards and learners' permits.

The DMV and AAA share service areas in Old Saybrook, Waterbury, Danbury, Hamden, Stamford, and Milford. These overlap areas could be used in a pilot program to expand opportunities at AAA, potentially. AAA revenue towards DMV total budget revenue had only 1% growth in FY 2015, over FY 2104. As stated during the current budget adjustment subcommittee process, Commissioner Murphy believes that AAA would be able to handle simple CDL renewals and CDL duplicates. The simple addition to add CDL licensing would be a pro-business initiative that would lessen the bottle neck at DMV branch offices and allow more flexibility for commercial drivers.

The DMV offers a small range of license and vehicle services online. This is to make for a more efficient process without having to stand in line for hours. However, the internet registration renewal has only had grown 1% year over year. How can this be? This tells me that this agency is struggling to utilize the very services that taxpayers have invested millions of dollars in and I believe one of the reasons is because public communication about the types of services available has not been robust. In fact, legislators are not even briefed to share this information with their constituents until just a few weeks ago. This is another indicator that more needs to be done to improve the efficiency of the agency. On top of all of these long standing issues, we know that there has been data problems including over 86,000 vehicle registration errors, according to a February 19th edition of a WNPR article. Just last night we are hearing that boaters may be next population to suffer problems. This on top of young drivers waiting months to get an appointment, residents who had their licenses suspended due to insurance errors and the list goes on.

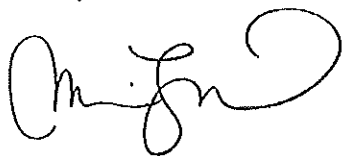
Finally, after reviewing the report submitted to the Transportation Committee dated January 11, 2012 I found many areas which support the suggestion of further privatization efforts. One topic covered in this report was the ability for the towns to issue a 10 day temporary registration, after a resident has paid back taxes. Unfortunately, after confirming with a local Asst. Town Clerk today, I know this has still not happened and is another example of frustration. Instead, this year we are settling for another study to see if the municipal program can be developed. This report already says it can.

One paragraph in the report summarizes the urgency of the agency to deal with these and other solutions:

"These new AAA services will further allow DMV customers to be served at offsite locations thereby enhancing customer service and reducing wait times at DMV branches. State statute also allows for registration transactions to be processed at AAA offices and other associations, however, such transactions have not been yet developed."

Isn't time the legislature directed DMV to do what it has been promising since 2012?

Thank you for hearing my concerns and those of my constituents,

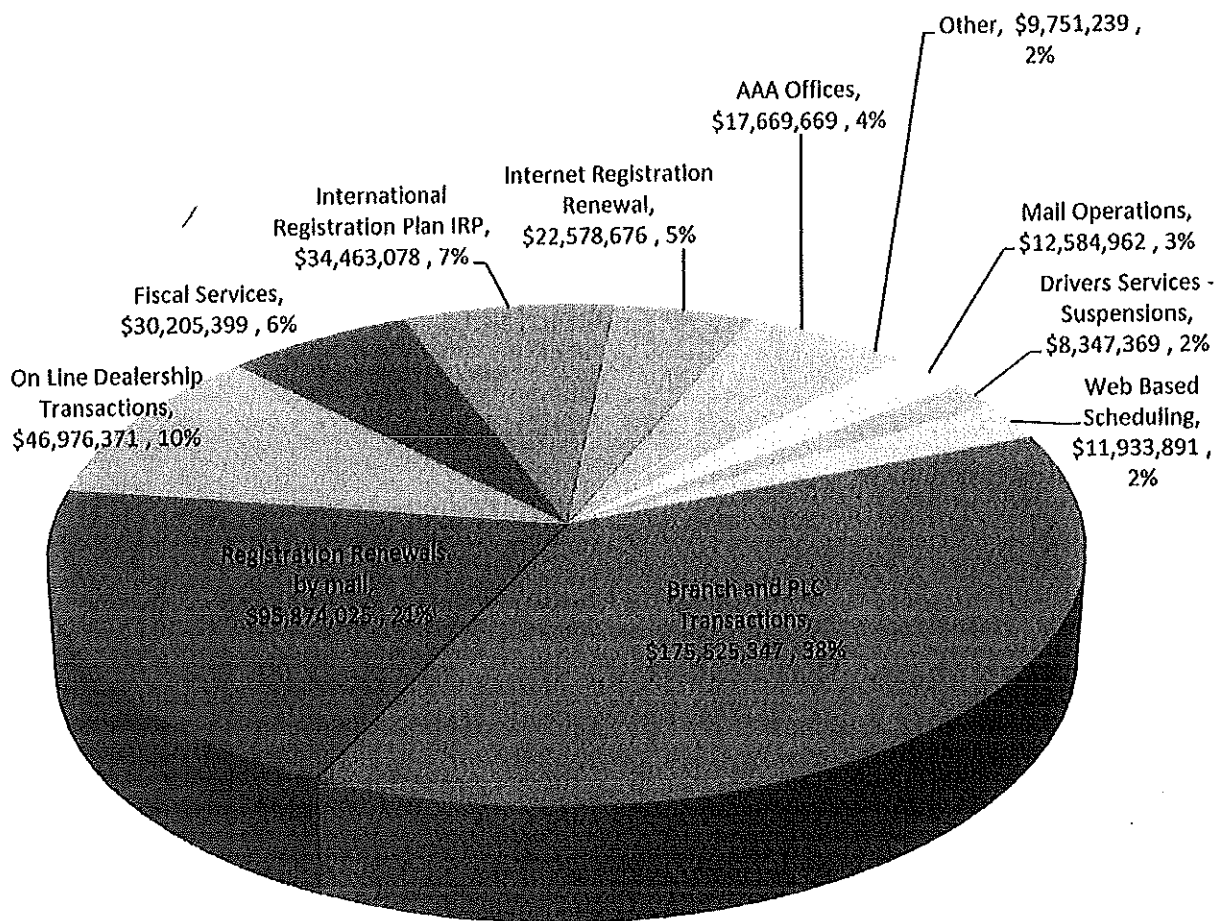
A handwritten signature in black ink, appearing to read 'M. Ziobron', with a large, stylized loop at the end.

Melissa Ziobron
State Representative, 34th District

**SAFETY
SECURITY
SERVICE**

DMV

**Department of Motor Vehicle
Annual Receipts by Location
Fiscal Year 2015**



**Appropriations Committee
February 8, 2016**

4. What are the deliverables?

DMV Response: Please see attached the document "CIVLS Major Milestones and Deliverables."

5. Will the payments to 3M be reduced because of the failure of the system?

DMV Response: There has not been a system failure. The system is working, albeit with certain defects that 3M is obligated and has committed to correct. Defects are a part of any major IT contract, and defect remediation is contemplated in the CIVLS Contract. Each major milestone deliverable payment to 3M for Release 2 has a 20% holdback associated with it. Those holdback payments are not payable until final system acceptance which will not occur until the defects are remediated. To date, the state has paid 3M for all deliverables that 3M has delivered, minus the holdback, which the State is legally obligated to do under the Contract.

6. Where is the money coming from to reimburse individuals for towing vehicles?

DMV Response: State statute 14-22f passed in 1996 authorizes DMV to reimburse individuals if their vehicle was towed due to a DMV error.

7. Can DMV recoup compensation from 3M for overtime costs?

DMV Response: The state would be required to make a case that the overtime was a direct result of some act or omission committed by 3M. In fact, the State did recoup costs for an error that 3M made after go-live. In that case, there was a direct link between the state's loss and 3M's error. The state is continuing to work with 3M under the Contract and is not in a position to discuss legal issues.

AAA Services

1. Please provide a list of services expansions

DMV Response: DMV is in discussions with AAA to provide registration renewals (not new registrations), CDL renewals (that do not involve medical review issues or other complicating factors), and CDL duplicates.

2. Would AAA be able to handle CDL licenses?

DMV Response: DMV believes they would be able to handle CDL renewals (that do not involve medical review issues or other complicating factors), and CDL duplicates.

3. Please provide the cost of expanding services to AAA?

DMV Response: The DMV cost involves equipment, telecommunications charges, DMV IT support, Fiscal support, Branch support, training and credit card fees. Below is the cost of the equipment for expanding services to AAA:

DMV Cost for Expanding Services to AAA

Item	Quantity	Cost Per Item	Total
Workstation Equipment	8	\$ 10,025	\$ 80,200

Note: Estimated 8 workstations; other workstations may be needed pending additional AAA information.

The cost to expand services to AAA is within DMV's available appropriation.

4. What are the annual costs DMV already incurs for AAA?

DMV Response: The annual cost is \$176,220 in telecommunication charges. There is also a cost for DMV IT support, Fiscal support, Branch support that cannot be categorized in dollars at this time.

Informational Technology

1. Please provide information on how DMV is automating services.

DMV Response: DMV is automating services in the following ways:

- Expanded the capabilities for on-line dealers to allow for lease buyout, renewals and electric vehicles. Dealer could also now process casual sales as permitted.
- Now allowing out of state titling services to process work on-line
- Added new on-line services for customers
- Created portals for over eighteen business partners
- Created real time interfaces for both CT Automobile Retailers Association (CARA) and State Police
- Proposed legislation to reduce the amount of transactions that a dealer must process monthly to be able to become part of the on-line community → what #
- Established electronic registration renewal after an outstanding compliance issue has been resolved.

final steps remain, and those are system interfaces to (1) verify birth certificates and (2) verify a customer has only one Real ID credential from any state or territory.

2. How many Real ID licenses has DMV done vs. AAA in the last 5 years?

DMV Response: See table below for past three years. Will provide 2011 and 2012.

AAA	2013	241,031
AAA	2014	263,654
AAA	2015	311,350
DMV	2013	594,438
DMV	2014	612,380
DMV	2015	599,473

Drive Only License Program

1. What are the total expenditures for the program? Please provide a breakout.

DMV Response: See table below.

Drive Only Expenditures

Fiscal Year	\$ Amount (Approximate)
2014	\$ 830,000
2015	\$ 1,700,000
2016	\$ 2,000,000
2017	\$ 2,000,000

2. How many duration employees were hired? When is there expected end date? What is the cost of the employees?

DMV Response: Six durational employees. Their expected end date is June 30, 2017. They were hired for a cost of \$332,000 in salaries.

3. How many licenses have issued? What is the total revenue?

DMV Response: 13,866 drive only driver licenses have been issued since January 1, 2015 to December 31, 2015. For drive only learner